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PACE Expansion in Florida

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THE WHY?

MARKET TRANSFORMATION IN FL: HVAC AND SOLAR

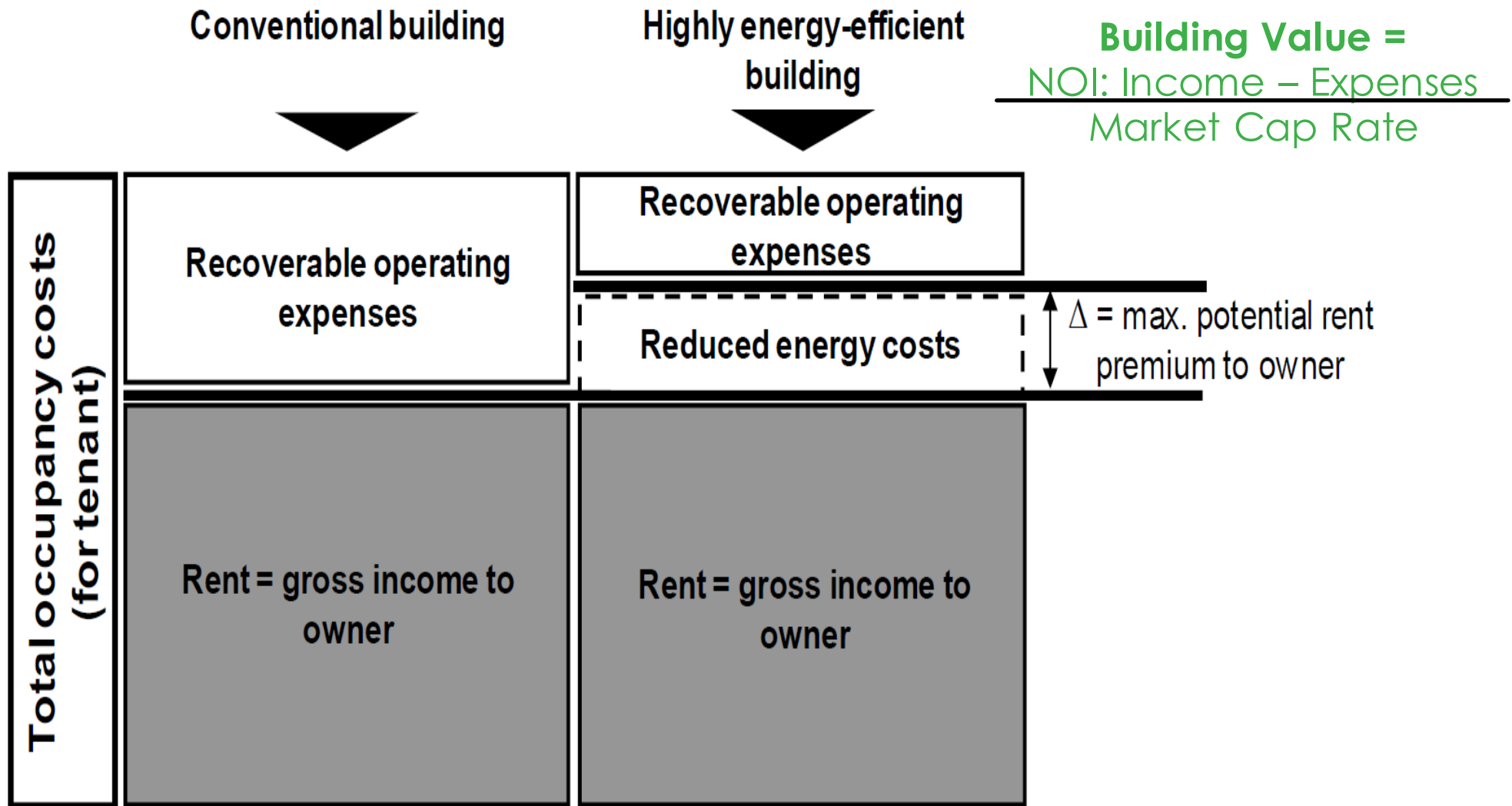
- **HVAC**

- Contractor with a \$500K/Month Retail Residential HVAC Sales Goal
- Let's assume with PACE that he is able to get 60% of customers a month to go with **SEER 17** vs **SEER 13** HVAC systems
- Let's assume a system cost of 12K (Compressor, Air Handler and Duct Work)
- 300 3 ton installations/yr for homes
- 7,000 kWh/yr vs. 5,294 kWh per home
 - **511,800 kWh** avoided energy use
 - **762,070 lbs of CO₂** avoided
 - **\$85,351** saved
 - **Thermal Comfort!**

- **Solar**

- St Petersburg Sierra Club Ready for 100: 2035 100% Clean Energy Goal
- 8 kW (16,000 kWh/yr) of solar PV Installed for each homeowner in St. Pete
 - **78% Clean Energy Generation**

COMMERCIAL REAL ESTATE VALUE: Operating Cost Reduction



COMMERCIAL REAL ESTATE VALUE: NOI Impacts

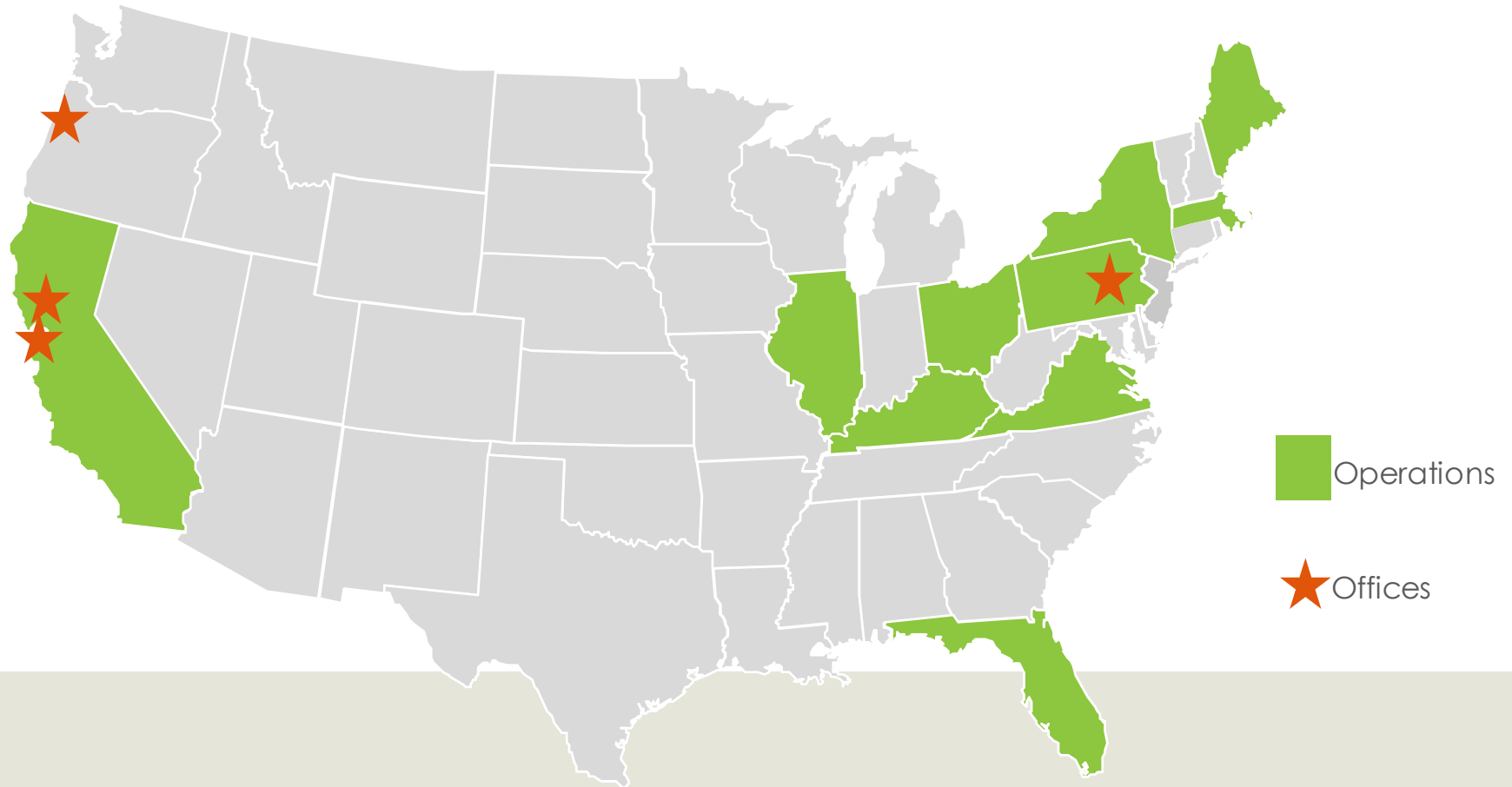
	Pre-Upgrade Value (10% cap rate)	High Performance Value (10% cap rate)	Improvement in Value
Energy Efficiency Only Scenario (Energy efficiency improvements that result in a 30% reduction in overall operating expenses)	Gross income: 150K Adjusted gross income (assuming 5% vacancy/losses): 142.5K Operating expenses: 70.0K Value: 725K	Gross income: 150K Adjusted gross income (assuming 5% vacancy/losses): 142.5K ↓ Operating expenses: 49K ↑ Value: 935K	210K
Energy Efficiency + Increased Occupancy (Increased Occupancy Rate Impacts based on tenant demand for green certified spaces)	Same as above	Gross income: 150K ↑ Adjusted gross income (assuming 3% vacancy/losses): 145.5K ↑ Operating expenses: 51K Value: 945K	220K



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ABOUT RENEW FINANCIAL

WE ARE A CLEAN ENERGY COMPANY WITH GROWING NATIONAL PRESENCE AND MULTI-PRODUCT PLATFORM



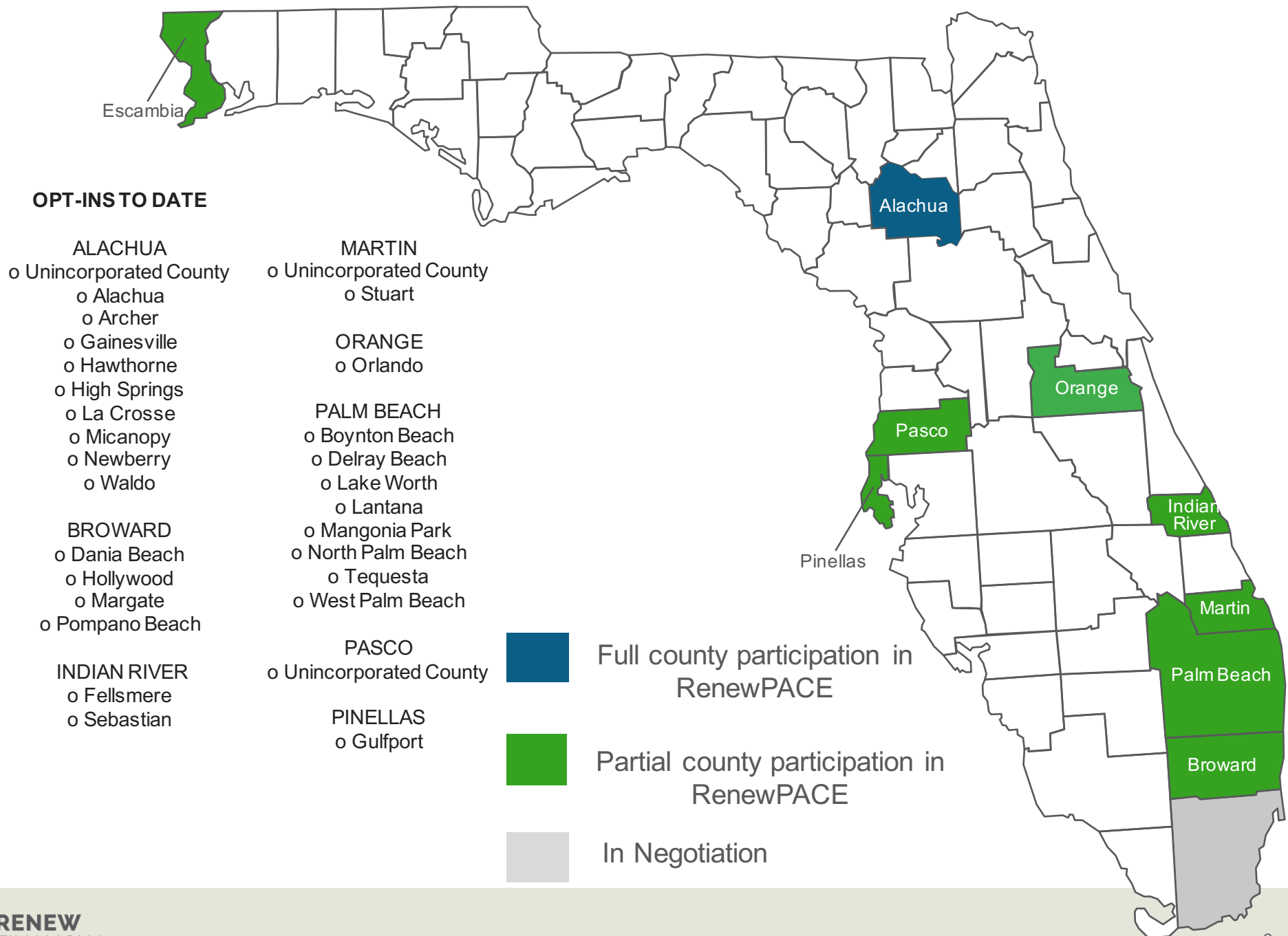
32,000
PROJECTS
Complete to Date

7,000
CONTRACTORS
in Our Network

\$650M
IN FINANCINGS
to Date

100,000
APPLICATIONS
Processed

RenewPACE FLORIDA CURRENT JURISDICTIONS



RENEWPACE FLORIDA LAUNCH TIMELINE

- **September 29, 2015:** Renew Financial announces acquisition of EcoCity Partners.
- **October 15, 2015:** FL Supreme Court dismissed challenge by Florida Bankers Association to the State's PACE law.
- **Currently:** Launching RenewPACE for commercial properties.
- **Mid-Summer 2016:** Launch RenewPACE for residential properties



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THE FLORIDA MARKETPLACE: PERFECT TIMING

PACE STATUS IN THE FLORIDA MARKET

- **2010:** State passes PACE enabling statute: Energy Efficiency, Renewable Energy and Wind Resistance Measures
- **2011:** PACE enabled in specific jurisdictions in FL through inter-local authority
- **2012:** Florida Green Finance Authority established
- **October 15, 2015:** FL Supreme Court dismissed challenge by Florida Bankers Association to the State's PACE law.
- **March 2016:** City of Orlando City Council unanimously approves **multi-provider** PACE resolution
- **April 2016:** Miami-Dade County directs the Mayor's Office through a resolution to negotiate membership in **multiple inter-local authorities** and "cancel the (previous) request for a competitive solicitation for a Property Assessed Clean Energy program".

THE CHANGING POLICY ENVIRONMENT FOR FL SUSTAINABLE BUILDING IMPROVEMENTS: CHALLENGES AND OPPORTUNITIES

How can the **Market** help us Improve the Performance of our Existing Building Stock?

2014 *“State regulators on Tuesday approved proposals to gut Florida’s energy-efficiency goals by more than 90 percent and to terminate solar rebate programs by the end of 2015, giving the investor-owned utilities virtually everything they wanted.” - MSNBC*

2015 Effective June 30, 2015, Florida law requires that residential and commercial buildings comply with the 5th Edition (2014) Florida Building Code, Energy Conservation. The 5th Edition (2014) Florida Building Code, Energy Conservation consists of the foundation code 2012 IECC and amendments –ACEEE

New Building Codes + **PACE** Financing = ↑ EE + ↓ Wind Damage Risk

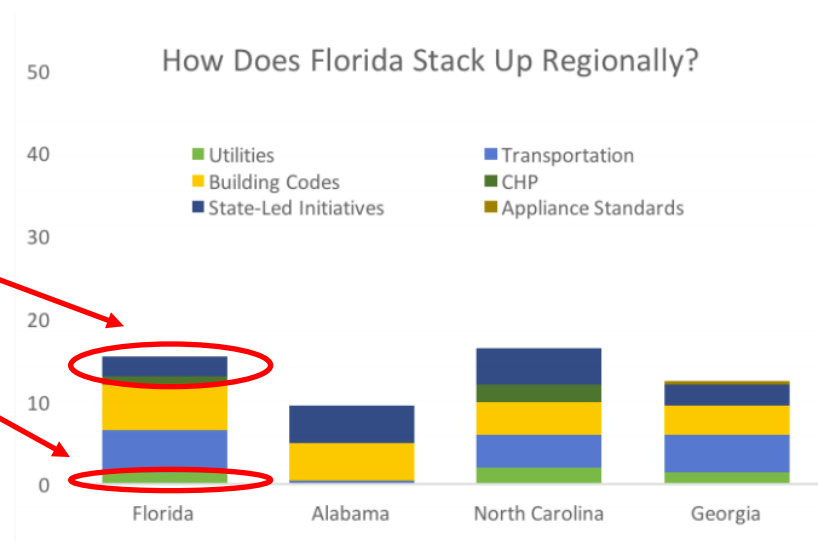
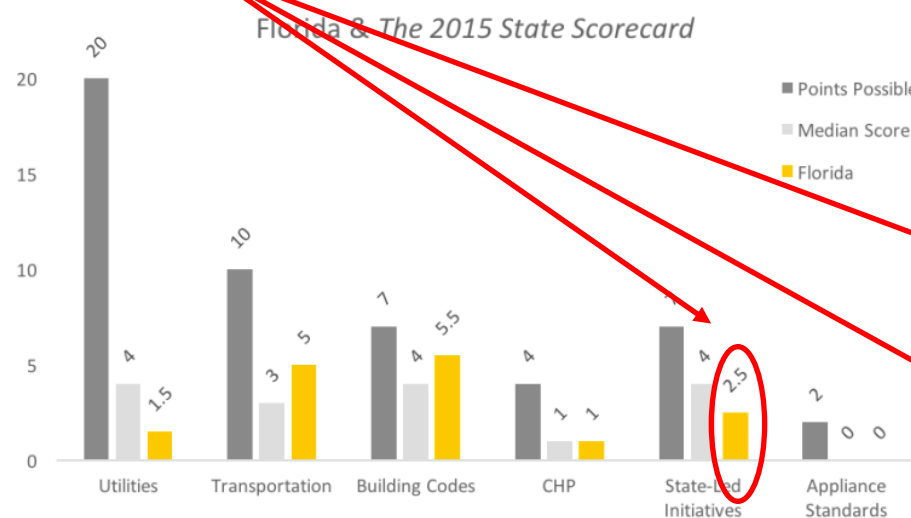
Source: <http://www.msnbc.com/rachel-maddow-show/florida-guts-goals-energy-efficiency>; <http://database.aceee.org/state/buildings-summary>

MEETING THE NEEDS OF AN UNDERSERVED ENERGY-EFFICIENCY MARKET

Florida



Florida ranked 27th in the 2015 *State Energy Efficiency Scorecard*, rising one spot compared to 2014. Despite the increase in rank, the state actually earned one less point than it did last year due to lower investments in energy efficiency, scoring 15.5 points out of a possible 50.



Source: <http://aceee.org/sites/default/files/pdf/state-sheet/2015/florida.pdf>

ENABLING PACE ACROSS FL JURISDICTIONS

PACE 2010



- ☐ Govt issues RFP to choose PACE administrator
- ☐ Participation limited to one district / authority
- ☐

PACE NOW

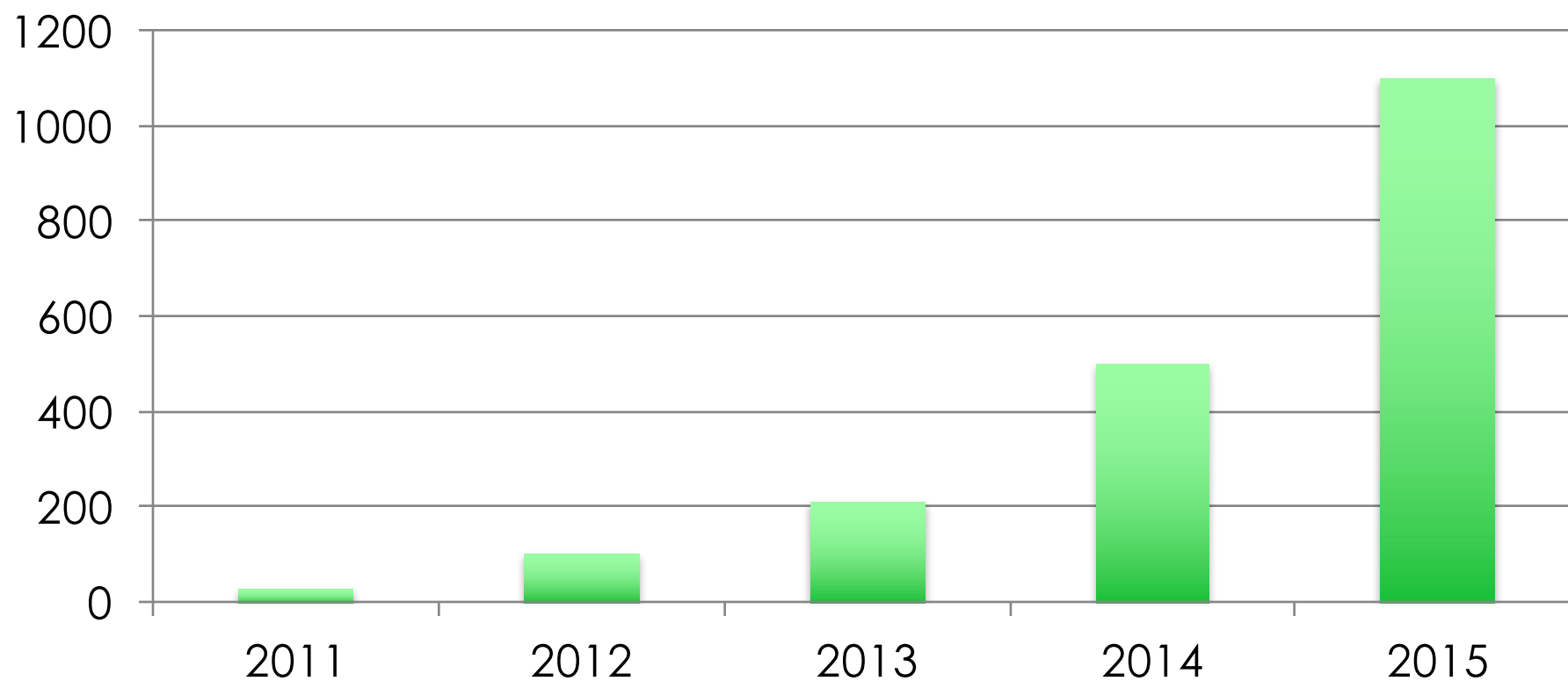


- ☐ Govt passes multi-provider resolution
- ☐ Participation in multiple authorities
- ☐ Greater consumer choice, protections

City of Orlando 3/28/16: Multi-provider Resolution Passed Unanimously

RESIDENTIAL PACE GROWTH IN CA

PACE Projects in \$ Millions



Residential PACE Impact in CA

Residential PACE improvements in California to-date will save:

6.4 billion

kWh of energy

2.2 billion

gallons of water

\$2 billion

in utility bills

California Residential PACE improvements also account for:

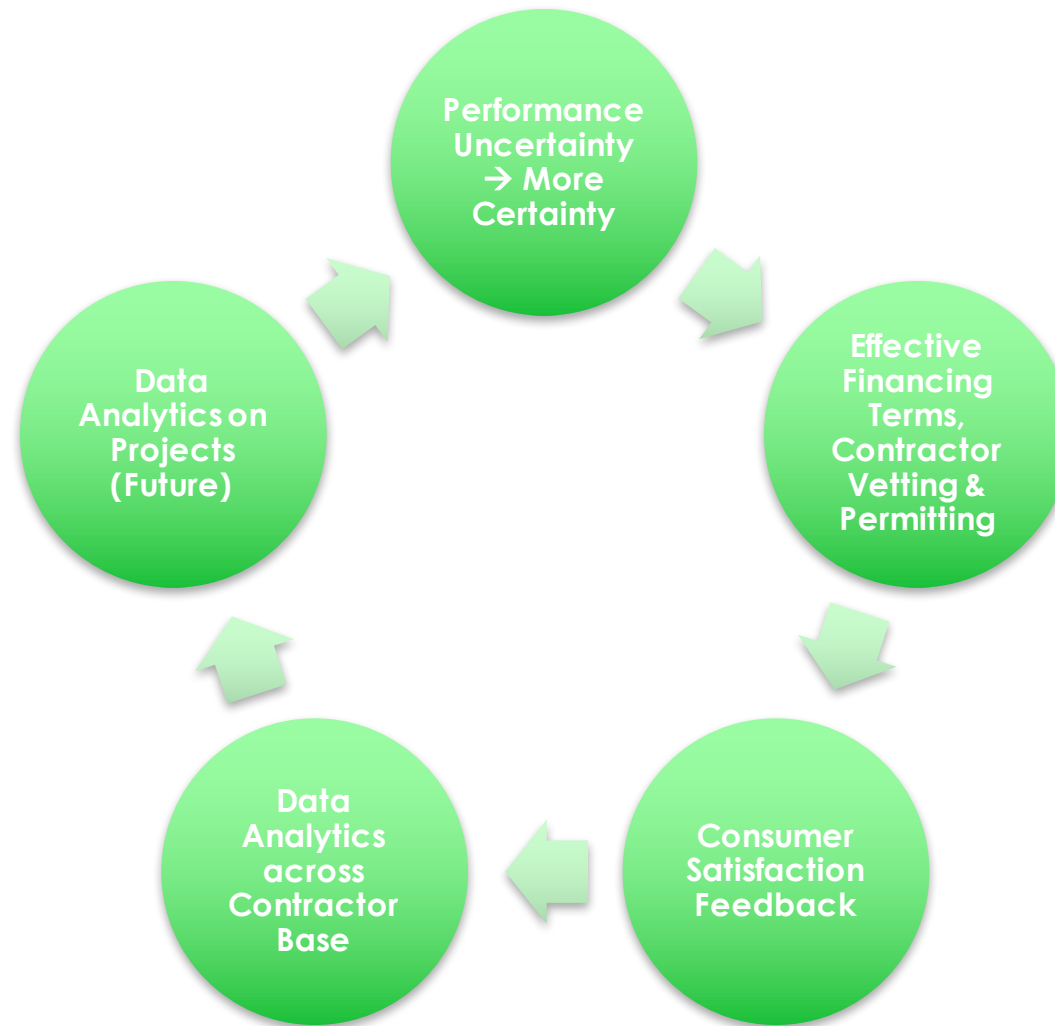
8,100

local jobs created

1.9 million

tons reduced emissions

PERFORMANCE AND CONSUMER PROTECTIONS: PACE AS A MARKET TRANSFORMATION TOOL



CONSUMER PROTECTIONS CRITICAL FOR PACE TO BE EFFECTIVE

RenewPACE PROTECTIONS	PACE	HOME EQUITY LOANS	CREDIT CARDS
Single purpose financing – product requirements	Yes	No	No
Contractor requirements	Yes	No	No
Fair pricing requirements	Yes	No	No
Permit requirements	Yes	No	No
Funding only provided after homeowner signs off	Yes	No	No
Dispute resolution	Yes	No	No
Senior protections (65+)	Yes	No	No



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Thank You